

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE JOINT  
APPLICATION OF SUEZ WATER IDAHO  
AND EAGLE WATER COMPANY FOR  
THE ACQUISITION OF EAGLE WATER  
COMPANY

**Case Nos. SUZ-W-18-02  
EAG-W-18-01**

**SUPPLEMENTAL DIRECT TESTIMONY OF ROBERT V. DESHAZO, JR.**

**ON BEHALF OF EAGLE WATER COMPANY, INC.**

June 8, 2021

1           **Q.     Please state your name and business address?**

2           A.     My name is Robert V. DeShazo, Jr. and my office address is 188 West State  
3                 Street, Eagle Idaho 83616.

4           **Q.     Are you the same Robert DeShazo who filed Direct Testimony in this**  
5                 proceeding on November 15, 2018?

6           A.     Yes, I am.

7           **Q.     What is the purpose of your supplemental testimony?**

8           A.     To briefly describe the settlement of the lawsuit between the City of Eagle  
9                 and Eagle Water Company, and to reiterate that I believe that the proposed  
10                sale to SUEZ continues to be in the best interests of Eagle Water Company's  
11                customers.

12          **Q.     Please describe the settlement of the Company's lawsuit with the City**  
13                 **of Eagle.**

14          A.     I participated in each of the mediation sessions where the settlement terms  
15                 were negotiated. Eagle Water Company was not involved with the  
16                 negotiation of the SUEZ-City Water Management Agreement, but was  
17                 directly involved in negotiation of the \$1,750,000.00 Settlement Payment  
18                 to the City and other aspects of the settlement.

19                The settlement resolves the City's claim of a right-of-first-refusal to  
20                 purchase Eagle Water Company's water system with respect to the  
21                 contemplated purchase by SUEZ. That City claim was dismissed with  
22                 prejudice. Under the Court's order, however, if SUEZ does not ultimately  
23                 purchase the Eagle Water Company assets, the City could attempt to claim

1 that it has an enforceable right-of-first-refusal as against some other  
2 purchaser.

3 Eagle Water, H2O Eagle Acquisitions, LLC and SUEZ also agreed that the  
4 City would be paid a Settlement Payment of \$1,750,000. To facilitate this  
5 aspect of the settlement, SUEZ agreed to pay an increased purchase price  
6 of \$10,500,000 to H2O Eagle for the Eagle Water Company assets.

7 **Q. How is the Settlement Payment to be made to the City?**

8 A. It was agreed that if the Commission approves the sale of the Eagle Water  
9 Company assets to SUEZ and the transaction closes, then at closing, SUEZ  
10 will pay an amended purchase price of \$10,500,000. Based on that  
11 agreement, Eagle Water Company and H2O Eagle Acquisition have agreed  
12 on an allocation between themselves that will fund the entire \$1.75M  
13 Settlement Payment out of their respective closing proceeds. Eagle Water  
14 Company, H2O Eagle Acquisition and SUEZ will provide specific joint  
15 escrow instructions to the closing agent to direct the payment of the  
16 Settlement Payment to the City as part of the closing.

17 **Q. In your Direct Testimony, you stated your belief that the proposed sale  
18 to SUEZ was in the best interest of Eagle Water Company customers.  
19 Is that still your belief?**

20 A. Yes, and even more so today. The two-year delay of this case before the  
21 Commission while the District Court case proceeded created uncertainty for  
22 Eagle Water Company and its customers and postponed the significant  
23 system investments that SUEZ has proposed to make. The settlement with

1                   the City of Eagle clears the way for those investments, which I believe will  
2                   be a direct long-term benefit to our customers

3           **Q.    Does this conclude your testimony?**

4           A.    Yes, it does.

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